

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. U-011246
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
2. NAME OF OPERATOR Coastal Plains Energy, Inc.		7. UNIT AGREEMENT NAME N/A
3. ADDRESS AND TELEPHONE NO. 436 Throckmorton Suite 630 Ft. Worth, TX 76102 817-832-9055		8. FARM OR LEASE NAME, WELL NO. Federal 217-4-1
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *) At surface 1476' FNL, 458' FEL, SE/4 NE/4, Section 4 At proposed prod. zone 1476' FNL, 458' FEL, SE/4 NE/4, Section 4		9. API WELL NO. Ferron
14. DISTANCE IN MILES AND DIRECTION 2 Miles north of Moore, Utah		10. FIELD AND POOL, OR WILDCAT Ferron
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drg. unit line, if any) 458''		11. SEC., T., R., M., OR BLK. Section 4 T21S R7E
16. NO. OF ACRES IN LEASE 1160.9		12. COUNTY OR PARISH Emery
17. NO. OF ACRES ASSIGNED TO THIS WELL 160 acres		13. STATE Utah
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. See attached Map		20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6215' GR		22. APPROX. DATE WORK WILL START* June 30, 2005

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	7" J-55 ST&C	23	90'	100 Sacks Class H at 1.06 cubic ft/sack, 16 ppg
6-1/8"	4-1/2" J-55 ST&C	10.5	1250'	30 sacks Class G light at 4.9 cubic ft/sack, 10.03 lbs./gal, 32.02 gals/sack
				30 sacks Class G at 1.79 cubic ft/sack, 13.5 ppg, 9.32 gals/sk.

Federal Bond Number: **UT-1264**

RECEIVED

SEP 26 2005

DIV. OF OIL, GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. *Fred Reynolds*
SIGNED **Fred Reynolds** TITLE **Coastal Plains Energy** DATE **5/24/05**

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY *1st Larry Towler* TITLE **Assistant Field Manager, Division of Resources** DATE **SEP 22 2005**

*See Instructions On Reverse Side

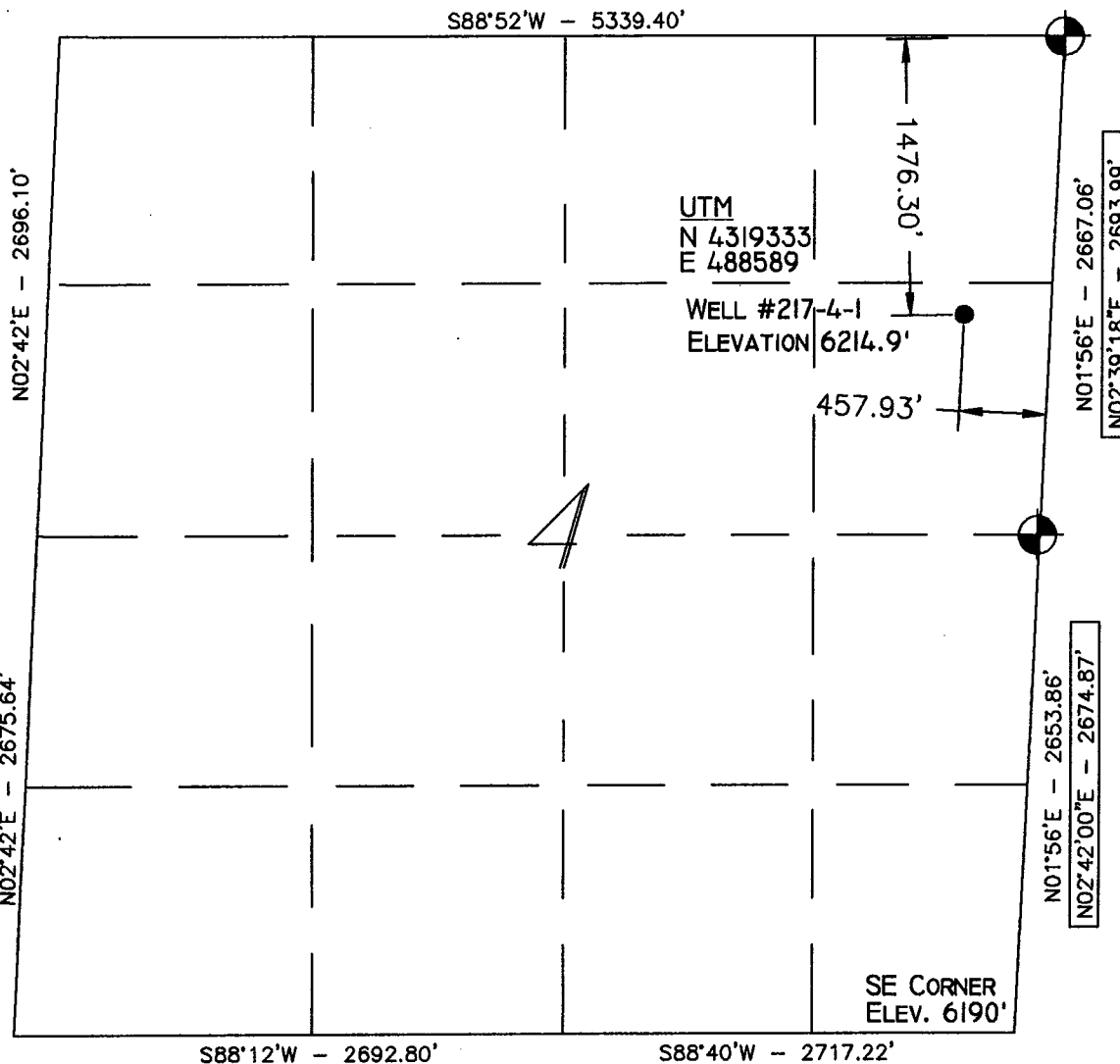
Title 18 U.S.C. Section 1001 makes it a crime for any person knowingly and willfully to make to any department or agency or the

CONDITIONS OF APPROVAL ATTACHED **CONFIDENTIAL**

RECEIVED
MOAB FIELD OFFICE
2005 MAY 31 P 1:54
DEPT OF THE INTERIOR
BUREAU OF LAND MGMT

Range 7 East

Township 21 South



Location:

THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

Basis of Bearing:

THE BASIS OF BEARING IS GPS MEASURED.

GLO Bearing:

THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

Basis of Elevation:

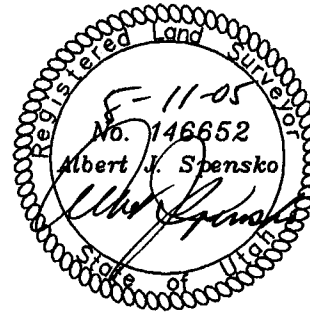
BASIS OF ELEVATION OF 6190' BEING AT THE SOUTHEAST SECTION CORNER OF SECTION 4, TOWNSHIP 21 SOUTH, RANGE 7 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE FERRON QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE SE 1/4, NE 1/4 OF SECTION 4; BEING SOUTH 1476.30' FROM THE NORTH LINE AND WEST 457.93' FROM THE EAST LINE OF SECTION 4, T21S, R7E, SALT LAKE BASE AND MERIDIAN.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



TALON RESOURCES, INC.

195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon@etv.net

COASTAL PLAINS ENERGY, INC.

WELL #217-4-1

Section 4, T21S, R7E, S.L.B.&M.

Emery County, Utah

Drawn By N. BUTKOVICH	Checked By L.W.J.
Drawing No. A-1	Date 5/11/05
	Scale 1" = 1000'
Sheet 1 of 1	Job No. 1745

Legend

- Drill Hole Location
- ⊙ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- () GLO
- GPS Measured

NOTE:

UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 27 DATUM.

LAT / LONG
N39°01'29.412"
W111°07'54.559"

GRAPHIC SCALE

0 500' 1000'
(IN FEET)
1 inch = 1000 ft.

Coastal Plains Energy, Inc.
Federal 217-4-1
Lease U-011246
SE/NE Section 4 T21S, R7E
Emery County, Utah

A COMPLETE COPY OF THIS PERMIT SHALL BE KEPT ON LOCATION from the beginning of site construction through well completion, and shall be available to contractors to ensure compliance.

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Coastal Plains Energy, Inc. is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by UT1264 (Principal – Coastal Plains Energy, Inc.) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors.

A. DRILLING PROGRAM

1. The proposed BOPE (3M components in a 2M configuration) is adequate for anticipated conditions. Installation, testing and operation of the BOP system to 2M standards shall be in conformance with Onshore Oil and Gas Order No. 2.
2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGM) is required before conducting any surface disturbing activities.
3. When drilling with air, the requirements of Onshore Oil and Gas Order No. 2, part III, E, Special Drilling Operations, shall apply. Among the requirements in this section are:
 - Spark arresters
 - Blooie line discharge 100 feet from wellbore
 - Straight blooie line
 - Deduster equipment
 - Float valve above bit
 - Automatic igniter on the blooie line
4. Due to the shallow setting depth of the surface casing, the production casing shall be cemented back to surface. If production casing cement does not circulate to surface, a cement bond log (CBL), or other appropriate tool for determining top-of-cement, shall be run and shall be submitted to BLM.
5. The proposed drilling location is subject to State of Utah spacing order no. 7-11A which established spacing at 160 acres per well completed in the Ferron Sandstone. Because the 160 acres dedicated to this well is comprised of more than one lease, a communitization agreement (CA) must be created should the well become productive.

B. SURFACE

1. All permanent above-ground structures (e.g., production equipment, tanks, etc.) not subject to safety requirements will be painted to blend with the natural color of the landscape. The paint used will be a color which simulates "Standard Environmental Colors." The color selected for the Federal 217-4-1 well is Dune, 17-1009 TPX. All facilities will be painted the designated color at the time of installation.
2. The operator will drill seed on the contour to a depth of 0.5 inch, followed by cultipaction to compact the seedbed, preventing soil and seed losses. To maintain quality and purity, the current years tested, certified seed with a minimum germination rate of 80% and a minimum purity of 90% will be used. On BLM surface or in lieu of a different specific mix desired by the surface owner, use the following:

Species - <i>Cultivar</i>	Full Seeding (lbs/ac PLS*)
Forage kochia	2
Winterfat	1
Globemallow	1
Indian Ricegrass	2
Desert indianwheat	2
Totals	8

*PLS = pure live seed (this seeding rate has not been doubled).

- Slopes too steep for machinery may be hand broadcast and raked with twice the specified amount of seed. Complete fall seeding after September 15 and prior to prolonged ground frost. To be effective, complete spring seeding after the frost has left the ground and prior to May 15.
3. Interim reclamation of well pad (areas not needed for production facilities) will be completed the first fall season after completion of the well.
 4. Please contact Mary Maddux, Natural Resource Specialist, @ (435) 636-3668, Bureau of Land Management, Price, if there are any questions concerning these surface use COAs.

I Standard Conditions of Approval

A. General

1. If any cultural values [sites, artifacts, human remains] are observed during operation of this lease/permit/right-of-way, they will be left intact and the Price Field Manager notified. The authorized officer will conduct an evaluation of the cultural values to establish appropriate mitigation, salvage or treatment. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized BLM officer (AO). Within five working days the AO will inform the operator as to:
 - whether the materials appear eligible for the National Register of Historic Places;
 - the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
 - a time-frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction measures.
2. If paleontological resources, either large or conspicuous, and/or a significant scientific value are discovered during construction, the find will be reported to the Authorized Officer immediately. Construction will be suspended within 250 feet of said find. An evaluation of the paleontological discovery will be made by a BLM approved professional paleontologist within five (5) working days, weather permitting, to determine the appropriate action(s) to prevent the potential loss of any significant paleontological values. Operations within 250 feet of such a discovery will not be resumed until written authorization to proceed is issued by the Authorized Officer. The applicant will bear the cost of any required paleontological appraisals, surface collection of fossils, or salvage of any large conspicuous fossils of significant scientific interest discovered during the operation.
3. The operator shall restrict travel on unimproved roads during periods of inclement weather or spring thaw when the possibility exists for excessive surface resource damage (e.g., rutting in excess of 4-inches, travel outside two-track roadway, etc.).
4. If any dead or injured threatened, endangered, proposed, or candidate species is located during construction or operation, the BLM Price Field Office (435-636-3600) shall be notified within 24 hours. If any dead or injured sensitive species is located during construction or operation, the BLM Price Field Office (435-636-3600) shall be notified within 24 hours.

B. Construction

1. The operator will limit vegetation removal and the degree of surface disturbance wherever possible. Where surface disturbance cannot be avoided, all practicable measures will be utilized to minimize erosion and stabilize disturbed soils.
2. Construction and drilling activity will not be conducted using frozen or saturated soil material during periods when watershed damage or excessive rutting is likely to occur.
3. Remove all available topsoil from constructed well locations including areas of cut and fills, and stockpile at the site. Topsoil will also be salvaged for use in reclamation on all other areas of surface disturbance (roads, pipelines, etc.). Clearly segregate topsoil from excess spoil material. Any topsoil stockpiled for one year or longer will be signed and stabilized with annual ryegrass or other suitable cover crop.
4. The operator will not push soil material and overburden over side slopes or into drainages. All soil material disturbed will be placed in an area where it can be retrieved without creating additional undue surface disturbance and where it does not impede watershed and drainage flows.
5. Construct the backslope no steeper than 1½:1, and construct the foreslope no steeper than 2:1, unless otherwise directed by the BLM Authorized Officer.
6. Maintain a minimum 20-foot undisturbed vegetative border between toe-of-fill of pad and/or pit areas and the edge of adjacent drainages, unless otherwise directed by the BLM Authorized Officer.
7. With the overall objective of minimizing surface disturbance and retaining land stability and productivity, the operator shall utilize equipment that is appropriate to the scope and scale of work being done for roads and well pads (utilize equipment no larger than needed for the job).
8. To minimize electrocution potential to raptors, all overhead electrical power lines will be constructed to Avian Power Line Interaction Committee (1996) standards.
9. The operator shall utilize wheel trenchers or ditchers to construct all pipeline trenches, except where extreme topography or other environmental factors preclude their use.
10. Reserve pits will be adequately fenced during and after drilling operations until pit is reclaimed so as to effectively keep out wildlife and livestock. Adequate fencing, in lieu of more stringent requirements by the surface owner, is defined as follows:
 - Construction materials will consist of steel or wood posts. Three or four strand wire (smooth or barbed) fence or hog panel (16-foot length by 50-inch height) or plastic snow fence must be used with connectors such as fence staples, quick-connect clips, hog rings, hose clamps, twisted wire, etc. Electric fences will not be allowed.
 - 1. Construction standards: Posts shall be firmly set in ground. If wire is used, it must be taut and evenly spaced, from ground level to top wire, to effectively keep out animals. Hog panels must be tied securely into posts and one another using fence staples, clamps, etc. Plastic snow fencing must be taut and sturdy. Fence must be at least 2-feet from edge of pit. 3 sides fenced before beginning drilling, the fourth side fenced immediately upon completion of drilling and prior to rig release. Fence must be left up and maintained in adequate condition until pit is closed.

11. The reserve pit will be oriented to prevent collection of surface runoff. After the drilling rig is removed, the operator may need to construct a trench on the uphill side of the reserve pit to divert surface drainage around it. If constructed, the trench will be left intact until the pit is closed.
12. The reserve pit will be lined with an impermeable liner if permeable subsurface material is encountered. An impermeable liner is any liner having permeability less than 10^{-7} cm/sec. The liner will be installed so that it will not leak and will be chemically compatible with all substances that may be put in the pit. Liners made of any man-made synthetic material will be of sufficient strength and thickness to withstand normal installation and pit use. In gravelly or rocky soils, a suitable bedding material such as sand will be used prior to installing the liner.
13. The reserve pit will be constructed so that at least half of its total volume is in solid cut material (below natural ground level).
14. Culverts will be placed on channel bottoms on firm, uniform beds, which have been shaped to accept them, and aligned parallel to the channel to minimize erosion. Backfill will be thoroughly compacted.
15. The minimum diameter for culverts will be 18 inches. However, all culverts will be appropriately sized in accordance with standards in BLM Manual 9113.
16. Construction and other project-related traffic will be restricted to approved routes. Cross-country vehicle travel will not be allowed.
17. Maximum design speed on all operator-constructed and maintained roads will not exceed 25 miles per hour.
18. Pipeline construction shall not block nor change the natural course of any drainage. Pipelines shall cross perpendicular to drainages. Pipelines shall not be run parallel in drainage bottoms. Suspended pipelines shall provide adequate clearance for maximum runoff.
19. Pipeline trenches shall be compacted during backfilling. Pipeline trenches shall be routinely inspected and maintained to ensure proper settling, stabilization and reclamation.
20. During construction, emissions of particulate matter from well pad and road construction would be minimized by application of water or other non-saline dust suppressants with at least 50 percent control efficiency. Dust inhibitors (surfacing materials, non-saline dust suppressants, and water) will be used as necessary on unpaved roads that present a fugitive dust problem. The use of chemical dust suppressants on public surface will require prior approval from the BLM Authorized Officer.
21. The operator shall submit a Sundry Notice (Form 3160-5) to BLM for approval prior to construction of any new surface disturbing activities that are not specifically addressed in the approved APD or POD Surface Use Plan.
22. Weed educational material will be reviewed with operators during pre-construction on-site meetings with operators, subcontractors, and landowners and will also be attached to approved APDs.
23. Companies will contact the counties to pursue development of maintenance agreements to ensure county roads are adequately maintained for the projected increase in use.

C. Operations/Maintenance

1. Confine all equipment and vehicles to the access road(s), pad(s), and area(s) specified in the approved APD or POD.
2. All waste, other than human waste and drilling fluids, will be contained in a portable trash cage. This waste will be transported to a State approved waste disposal site immediately upon completion of drilling operations. No trash or empty barrels will be placed in the reserve pit or buried on location. All state and local laws and regulations pertaining to disposal of human and solid waste will be complied with.
3. Rat and mouse holes shall be filled and compacted from the bottom to the top immediately upon release of the drilling rig from the location.
4. The operator will be responsible for prevention and control of noxious weeds and weeds of concern on all areas of surface disturbance associated with this project (well locations, roads, water management facilities, etc.) Use of pesticides shall comply with the applicable Federal and State laws. Pesticides shall be used only in accordance with their registered uses and within limitations imposed by the Secretary of Interior. Prior to the use of pesticides on public land, the holder shall obtain from the BLM authorized officer written approval of a plan showing the type and quantity of material to be used, pest(s) to be controlled, method of application, location of storage and disposal of containers, and any other information deemed necessary by the authorized officer to such use.
5. Sewage shall be placed in a self-contained, chemically treated porta-potty on location.
6. The operator and their contractors shall ensure that all use, production, storage, transport and disposal of hazardous and extremely hazardous materials associated with the drilling, completion and production of these wells will be in accordance with all applicable existing or hereafter promulgated federal, state and local government rules, regulations and guidelines. All project-related activities involving hazardous materials will be conducted in a manner to minimize potential environmental impacts. In accordance with OSHA requirements, a file will be maintained onsite containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds and/or substances which are used in the course of construction, drilling, completion and production operations.
7. Produced fluids shall be put in test tanks on location during completion work. Produced water will be put in the reserve pit during completion work per Onshore Order #7.
8. The only fluids/waste materials which are authorized to go into the reserve pit are RCRA exempt exploration and production wastes. These include:

- drilling muds & cuttings
- rigwash
- excess cement and certain completion & stimulation fluids defined by EPA as exempt

It does not include drilling rig waste, such as:

- spent hydraulic fluids
- used engine oil
- used oil filter
- empty cement, drilling mud, or other product sacks
- empty paint, pipe dope, chemical or other product containers
- excess chemicals or chemical rinsate

Any evidence of non-exempt wastes being put into the reserve pit may result in the BLM Authorized Officer requiring specific testing and closure requirements.

9. Reserve pits will be closed as soon as possible, but no later than 90 days from time of drilling/well completion, unless the BLM Authorized Officer gives an extension. Squeezing of pit fluids and cuttings is prohibited. Pits must be dry of fluids or they must be removed via vac-truck or other environmentally acceptable method prior to backfilling, re-contouring and replacement of topsoil. Mud and cuttings left in pit must be buried at least 3-feet below re-contoured grade. The operator will be responsible for re-contouring any subsidence areas that develop from closing a pit before it is sufficiently dry.
10. If this well is drilled during the fire season (June-October), the operator shall institute all necessary precautions to ensure that fire hazard is minimized, including but not limited to mowing vegetation on the access route(s) and well location(s), keeping fire fighting equipment readily available when drilling, etc.

D. Dry Hole/Reclamation

1. All disturbed lands associated with this project, including the pipelines, access roads, water management facilities; etc will be expediently reclaimed and reseeded in accordance with the surface use plan and any pertinent site-specific COAs.
2. Disturbed lands will be re-contoured back to conform with existing undisturbed topography. No depressions will be left that trap water or form ponds.
3. The fluids and mud must be dry in the reserve pit before re-contouring pit area. The operator will be responsible for re-contouring of any subsidence areas that develop from closing a pit before it is completely dry. The plastic pit liner (if any) will be cut off below grade and properly disposed of at a state authorized landfill before beginning to re-contour the site.
4. Before the location has been reshaped and prior to redistributing the topsoil, the operator will rip or scarify the drilling platform and access road on the contour, to a depth of at least 12 inches. The rippers are to be no farther than 24 inches apart.
5. Distribute the topsoil evenly over the entire location and other disturbed areas. Prepare the seedbed by disking to a depth of 4-to-6 inches following the contour.
6. Phased reclamation plans will be submitted to BLM for approval prior to individual POD facility abandonment via a Notice of Intent (NOI) Sundry Notice. Individual facilities, such as well locations, pipelines, discharge points, impoundments, etc. need to be addressed in these plans as they are no longer needed. Individual items that will need to be addressed in reclamation plans include:
 - Pit closure (Close ASAP after suitably dry, but no later than 90 days from time of drilling unless an extension is given by BLM Authorized Officer.) BLM may require closure prior to 90 days in some cases due to land use or environmental concerns.
 - Configuration of reshaped topography, drainage systems, and other surface manipulations

- Waste disposal
 - Revegetation methods, including specific seed mix (pounds pure live seed/acre) and soil treatments (seedbed preparation, fertilization, mulching, etc.). On private surface, the landowner should be consulted for the specific seed mix.
 - Other practices that will be used to reclaim and stabilize all disturbed areas, such as water bars, erosion fabric, hydro-mulching, etc.
 - An estimate of the timetables for beginning and completing various reclamation operations relative to weather and local land uses.
 - Methods and measures that will be used to control noxious weeds, addressing both ingress and egress to the individual well or POD.
 - Decommissioning/removal of all surface facilities
 - Closure and reclamation of areas utilized or impacted by produced CBM water, including discharge points, reservoirs, off-channel pits, land application areas, livestock/wildlife watering facilities, surface discharge stream channels, etc
7. BLM will not release the performance bond until all disturbed areas associated with the APD/POD have been successfully revegetated (evaluation will be made after the second complete growing season) and has met all other reclamation goals of the surface owner and surface management agency.
 8. A Notice of Intent to Abandon and a Subsequent Report of Abandonment must be submitted for abandonment approval.
 9. For performance bond release approval, a Final Abandonment Notice (with a surface owner release letter on split-estate) must be submitted prior to a final abandonment evaluation by BLM.
 10. Soil fertility testing and the addition of soil amendments may be required to stabilize some disturbed lands.
 11. Any mulch utilized for reclamation needs to be certified weed free.
 12. Waterbars are to be constructed at least one (1) foot deep, on the contour with approximately two (2) feet of drop per 100 feet of waterbar to ensure drainage, and extended into established vegetation. All waterbars are to be constructed with the berm on the downhill side to prevent the soft material from silting in the trench. The initial waterbar should be constructed at the top of the backslope. Subsequent waterbars should follow the following general spacing guidelines:

Slope (percent)	Spacing Interval (feet)
≤ 2	200
2 – 4	100
4 – 5	75
≥ 5	50

E. Producing Well

1. Landscape those areas not required for production to the surrounding topography as soon as possible. The fluids and mud must be dry in the reserve pit before re-contouring pit area. The operator will be responsible for re-contouring and reseeded of any subsidence areas that develop from closing a pit before it is completely dry.
2. Reduce the backslope to 2:1 and the foreslope to 3:1, unless otherwise directed by the BLM Authorized Officer. Reduce slopes by pulling fill material up from foreslope into the toe of cut slopes.
3. Production facilities (including dikes) must be placed on the cut portion of the location and a minimum of 15 feet from the toe of the back cut unless otherwise approved by the BLM Authorized Officer.
4. Any spilled or leaked oil, produced water or treatment chemicals must be reported in accordance with NTL-3A and immediately cleaned up in accordance with BLM requirements. This includes clean-up and proper disposition of soils contaminated as a result of such spills/leaks.
5. Distribute stockpiled topsoil evenly over those areas not required for production and reseed as recommended.
6. Upgrade and maintain access roads and drainage control (e.g., culverts, drainage dips, ditching, crowning, surfacing, etc.) as necessary and as directed by the BLM Authorized Officer to prevent soil erosion and accommodate safe, environmentally-sound access.
7. Prior to construction of production facilities not specifically addressed in the APD/POD, the operator shall submit a Sundry Notice to the BLM Authorized Officer for approval.
8. If not already required prior to constructing and drilling the well location, the operator shall immediately upgrade the entire access road to BLM standards (including topsoiling, crowning, ditching, drainage culverts, surfacing, etc.) to ensure safe, environmentally-sound, year-round access. This requirement does not supercede or apply where specific road requirements are addressed in the APD/POD surface use plan (e.g., two track road, spot upgrade, etc.)
9. Waterbars shall be installed on all reclaimed pipeline corridors per the guidelines in D #12.

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the BLM, Natural Resource Protection Specialist at least 48-hours prior to commencing construction of location.

Spud- The spud date will be reported to BLM 24-hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field Office within 24-hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the Moab Field Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed with the Moab Field Office for approval of all changes of plans and subsequent operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Price Field Office is to be notified.

First Production- Should the well be successfully completed for production, the Moab Field Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Price Field Office. The Price Field Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the Moab Field Office not later than thirty-days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor (BLM) shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

Produced Water- An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No.7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Price Field Office or the appropriate surface managing agency.

TABLE 1

NOTIFICATIONS

Notify Mary Maddux (435-636-3668) or Don Stephens (435-636-3608) of the BLM Price Field Office for the following:

2 days prior to commencement of dirt work, construction and reclamation;

1 day prior to spudding;

50 feet prior to reaching the surface casing setting depth.

If the person at the above number cannot be reached, notify the Moab Field Office at 435-259-2100. If unsuccessful, contact the person listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab Field Office at 435-259-2100. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer

Office: 435-259-2117

Home: 435-259-2214

FRED REYNOLDS AND ASSOCIATES
CONSULTANTS
OIL, GAS & SYNTHETIC FUELS
420 THROCKMORTON, SUITE 630
FORT WORTH, TEXAS 76102-3723

FRED N. REYNOLDS, P.E.

FRED S. REYNOLDS, P.E. (1922-2001)

817-336-1742
FAX 817-336-3223

September 26, 2005

Ms. Diana Whitney
State of Utah
Division of Oil, Gas & Mining
1594 West North Temple
Salt Lake City, UT 84116

Re: **Federal Form 3160-3**
Federal 217-4-1
Emery County, UT

Dear Ms. Whitney:

Enclosed please find the completed above referenced form for the Coastal Plains Energy, Inc. operated Federal 217-4-1 lease, Emery County, UT for your perusal and files. You may call the undersigned, if you have any questions.

Very truly yours,

COASTAL PLAINS ENERGY, INC.

Fred N. Reynolds
Fred N. Reynolds

FNR/cf

Encl.

fed217-4-1utstate.cpe

RECEIVED

SEP 28 2005

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL X DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. U-011246
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL X OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A CR# 14-08-0001-
2. NAME OF OPERATOR Coastal Plains Energy, Inc		7. UNIT AGREEMENT NAME N/A
3. ADDRESS AND TELEPHONE NO. 430 Throckmorton Suite 630 Ft Worth TX 76102 817-832-9055		8. FARM OR LEASE NAME, WELL NO. Federal 217-4-1
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *) At surface 1476' FNI, 458' FEI, SF/4 NE/4 Section 4 At proposed prod. zone 1476' FNL, 458' FEL SE/4 NE/4, Section 4		9. API WELL NO. 43-015-30632
14. DISTANCE IN MILES AND DIRECTION 2 Miles north of Moore, Utah		10. FIELD AND POOL, OR WILDCAT Ferron 135
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 458''		11. SEC., T., R., M., OR BLK. A Section 4 T21S R7E
16. NO. OF ACRES IN LEASE 1160.9		12. COUNTY OR PARISH Emery
17. NO. OF ACRES ASSIGNED TO THIS WELL 160 acres		13. STATE Utah
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. See attached Map		20. ROTARY OR CABLE TOOLS Rotary
19. PROPOSED DEPTH 1250'		22. APPROX. DATE WORK WILL START* June 30, 2005
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6215' GR		

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	7" J-55 ST&C	23	90'	100 Sacks Class H at 1.06 cubic ft/sack, 16 ppg
6-1/8"	4-1/2" J-55 ST&C	10.5	1250'	30 sacks Class G light at 4.9 cubic ft/sack, 10.03 lbs./gal, 32.02 gals/sack
				30 sacks Class G at 1.79 cubic ft/sack, 13.5 ppg, 9.32 gals/sk.

488597X
43193321
39.024831
- 111.131726

Federal Bond Number: **UT-1264**

Accepted by the
Utah Division of
Oil, Gas and Mining

Date: **09-28-05**
By: *[Signature]*

COPY SENT TO OPERATOR
Date: **9-28-05**
Initials: **CRH**

RECEIVED
SEP 28 2005

DIV. OF OIL, GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. *Fred R. Reynolds*
SIGNED **Fred Reynolds** TITLE **Coastal Plains Energy** DATE **5/24/05**

(This space for Federal or State office use)

PERMIT NO. **43-015-30632** APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

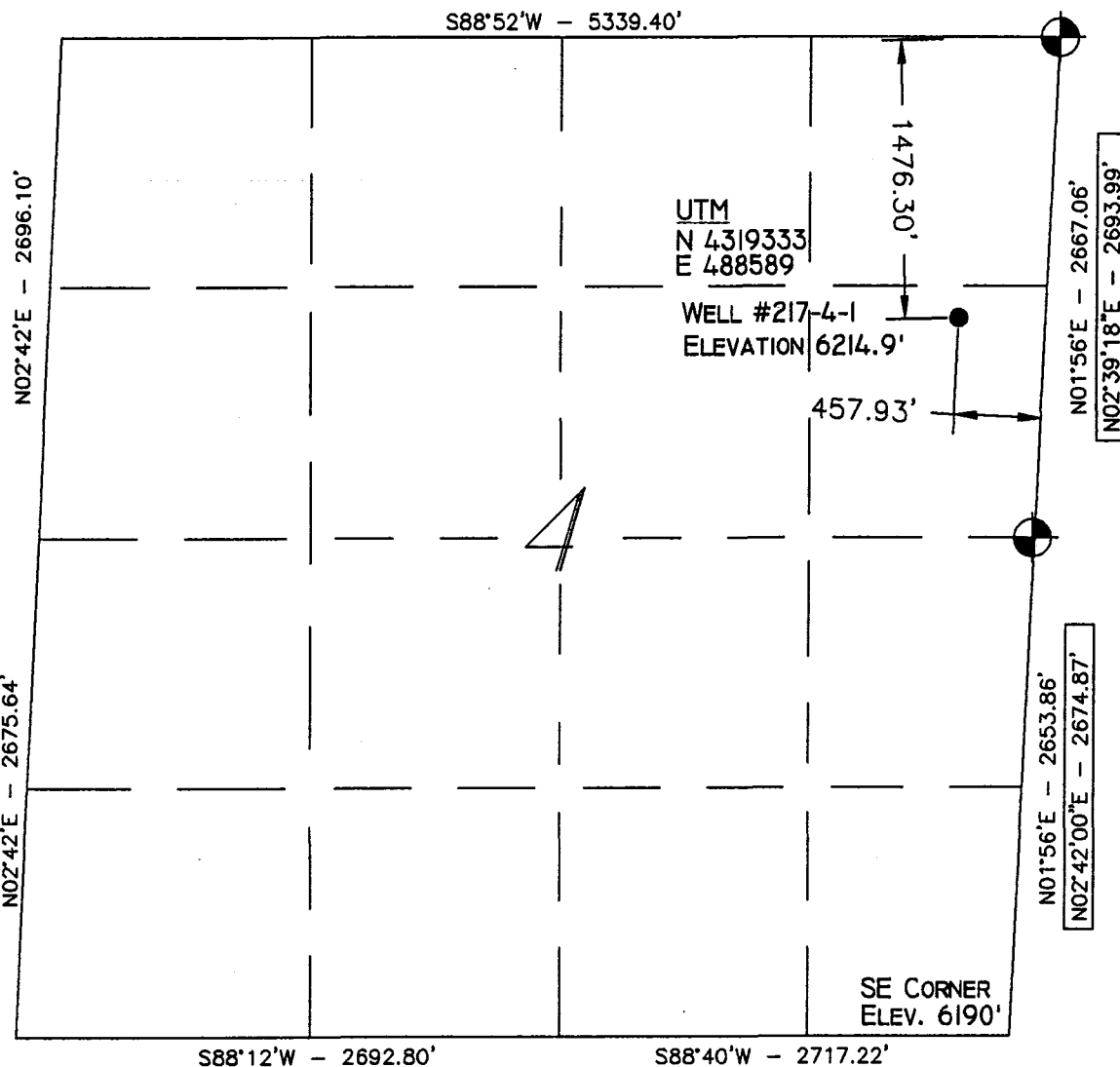
*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001 makes it a crime for any person knowingly and willfully to make to any department or agency or the

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Range 7 East

Township 21 South



Location:

THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

Basis of Bearing:

THE BASIS OF BEARING IS GPS MEASURED.

GLO Bearing:

THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

Basis of Elevation:

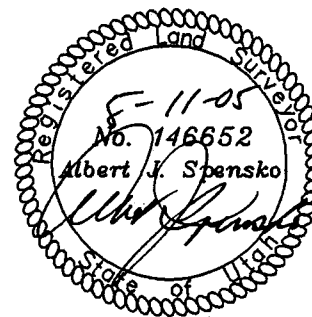
BASIS OF ELEVATION OF 6190' BEING AT THE SOUTHEAST SECTION CORNER OF SECTION 4, TOWNSHIP 21 SOUTH, RANGE 7 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE FERRON QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE SE 1/4, NE 1/4 OF SECTION 4; BEING SOUTH 1476.30' FROM THE NORTH LINE AND WEST 457.93' FROM THE EAST LINE OF SECTION 4, T21S, R7E, SALT LAKE BASE AND MERIDIAN.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



TALON RESOURCES, INC.

195 North 100 West P.O. Box 1230

Huntington, Utah 84528

Phone (435)687-5310 Fax (435)687-5311

E-Mail talon@etv.net

COASTAL PLAINS ENERGY, INC.

WELL #217-4-1

Section 4, T21S, R7E, S.L.B.&M.

Emery County, Utah

Drawn By N. BUTKOVICH	Checked By L.W.J.
Drawing No. A-1	Date 5/11/05
	Scale 1" = 1000'
Sheet 1 of 1	Job No. 1745

Legend

- Drill Hole Location
- ⊙ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- () GLO

GPS Measured

NOTE:

UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 27 DATUM.

LAT / LONG
N39°01'29.412"
W111°07'54.559"

GRAPHIC SCALE



(IN FEET)

1 inch = 1000 ft.

8 POINT DRILLING PROGRAM

Exhibit "D"

Attached to BLM Form 3
Coastal Plains Energy, Inc.

Ferron Federal 217-4-1

Surface Location: 1476' FNL, 458' FEL, SE/4 NE/4, Sec. 4, T21S, R7E, SLB&M

Target Location: 1476' FNL, 458' FEL, SE/4 NE/4, Sec. 4, T21S, R7E, SLB&M

Emery County, Utah

1. The Geologic Surface Formation

Mancos

2. Estimated Tops of Important Geologic Markers

Ferron

3. Projected Gas & H2O zones (Sunnyside Coals)

No Groundwater is anticipated to be encountered. Water encountered will be reported on a Form 7 "Report of Water Encountered During Drilling".

Casing & cement will be utilized to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits. All indications of usable water will be reported.

Surface casing will be tested to 2000 psi.

4. The Proposed Casing and Cementing Programs

HOLE SIZE	SETTING DEPTH (INTERVAL)	SIZE (OD)	WEIGHT, GRADE & JOINT	CONDITION
8-3/4"	90'	7"	23# J-55 ST&C	New
6-1/8"	1250'	4-1/2"	10.5# J-55 ST&C	New

Cement Program -

Surface Casing; 100 sacks Class H
Weight: 16 #/gal
Yield: 1.06 cu.ft/sk

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Production Casing:

Lead: 30 sacks Class G Light;
Weight: 10.03 #/gal,
Yield: 4.9 cu.ft/sk yield

Tail: 30 sacks Class G Light;
Weight: 13.5 #/gal,
Yield: 1.79 cu.ft/sk yield

The following shall be entered in the driller's log:

- 1) Blowout preventer pressure tests, including test pressures and results;
- 2) Blowout preventer tests for proper functioning;
- 3) Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight, and depth set;
- 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- 6) Waiting on cement time for each casing string;
- 7) Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

Exhibit "G" is a schematic diagram of the blowout preventer equipment. A 10" or 11" 3,000 psi Double gate Hydraulic BOP with one (1) blind ram and one (1) pipe ram and Annular Preventer; equipped with a 3,000 psi automatic choke manifold. This equipment will be tested to 2000 psi. All tests will be recorded in a Driller's Log Book. Physical operation of the BOP will be checked on each trip.

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6. The Type and Characteristics of the Proposed Circulating Muds

This location will be Air Drilled

7. The Testing, Logging and Coring Programs are as followed

Testing –

DST's are not planned

Logging –

End of Surface casing - TD Gamma Ray, Density, Neutron, Porosity,
Induction, Caliper

Coring --

No coring is planned for this location

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is 500 psi max. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled approx.: June 15, 2005

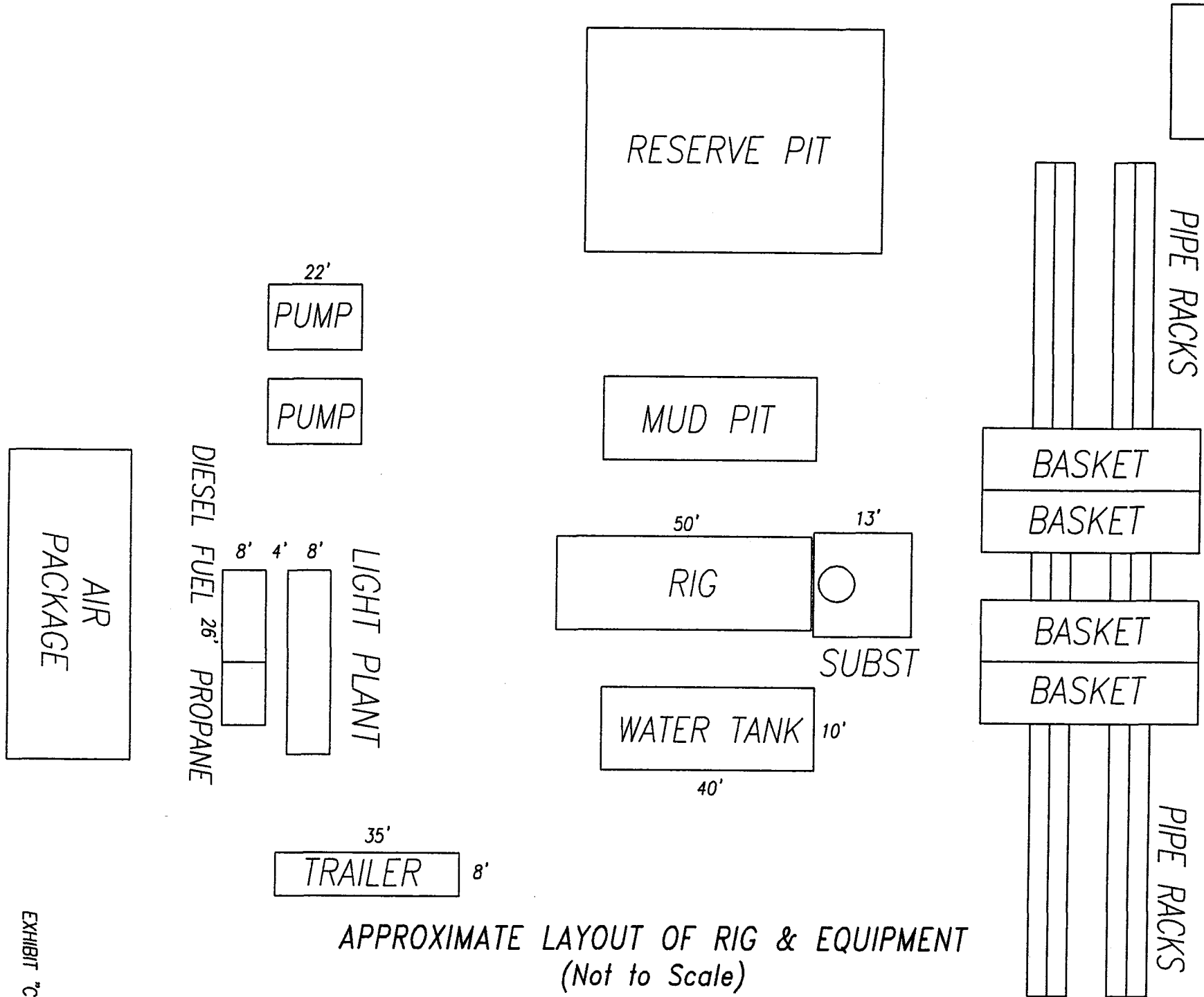
Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

- (a) prior to beginning construction;
- (b) prior to spudding;
- (c) prior to running any casing or BOP tests;
- (d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

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Coastal Plains



APPROXIMATE LAYOUT OF RIG & EQUIPMENT
(Not to Scale)

13 POINT SURFACE USE PLAN

Exhibit "E"

Attached to BLM Form 3
Coastal Plains Energy, Inc.

Ferron Federal 217-4-1

Surface Location: 1476' FNL, 458' FEL, SE/4 NE/4, Sec. 4, T21S, R7E, SLB&M

Target Location: 1476' FNL, 458' FEL, SE/4 NE/4, Sec. 4, T21S, R7E, SLB&M
Emery County, Utah

a. Existing Roads

- a. The proposed access road will tie to the existing dirt road. The existing dirt road will intersect Utah State Highway 10. (see Exhibit "B")
- b. The existing road will be improved and maintained to facilitate drilling and company trucks and equipment..
- c. There are no plans to change, alter or improve upon any other existing state or county roads.

2. Planned Access

Approximately 0.2 miles of new lease access will be required (See Exhibit "B").

- a. Maximum Width: 20' Travel Surface with a 24' Base.
- b. Maximum Grade: 10%
- c. Turnouts: None
- d. For Drainage, 2 – 18" culverts may be required along this stretch of road. Water will be diverted away from the planned access as necessary and practical
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year round traffic.

- b. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or pad location
- c. In the event fluids are produced, any oil will be retained in tankage until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. Ancillary Facilities

- a. We anticipate no need for ancillary facilities with the exception of camp trailers to be located on the drill site.

9. Wellsite Layout

- a. The well, whether drilling, producing, suspended, or abandoned, will be properly identified in accordance with 43 CFR 3162.6.
- b. Access to the well pad will be from the East.
- c. Available topsoil will be removed from the location and stockpiled. Location of the rig, reserve and blooie pits, and drilling support equipment will be located as shown on Attachment "C".
- d. Natural runoff will be diverted around the well pad.

10. Plans for Restoration of Surface

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and recontoured to minimize possible erosion.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be

fenced off when the rig is released and removed.

- d. Any oil accumulation on the pit will be removed or overhead flagged as dictated by the existing conditions.
- e. Rehabilitation will commence following completion of the well. Rat and mouse holes will be filled immediately upon release of the drilling rig from the location. If the wellsite is to be abandoned, all disturbed areas will be recontoured.

11. Surface Ownership

- a. The wellsite will be constructed on federal lands managed by the Bureau of Land management (BLM). The BLM will be notified 48 hours prior to beginning construction activities.

12. Other Information:

- a. The primary surface use is Wildlife habitat and grazing. Nearest live water is Ferron Creek approximately 6 miles North
- b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed, and piled downhill from the topsoil stockpile location.
- c. The backslope and foreslope will be constructed no steeper than 4:1.
- d. All equipment and vehicles will be confined to the access road and well pad.
- e. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be at the well site during construction and drilling operations.
- f. There will be no deviation from the proposed construction, drilling, and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. **Company Representatives**

Fred Reynolds
Coastal Plains Energy, Inc.
420 Throckmorton, Suite 630
Ft. Worth, Texas 76102
817-882-9055

Mail Approved A.P.D. To:

Company Representative

Permitting Consultant

Larry W. Johnson
Talon Resources, Inc.
195 North 100 West
Huntington, UT. 84528
1-435-687-5310

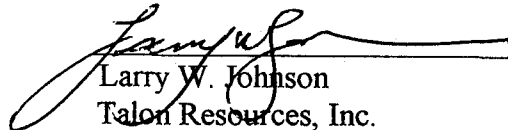
Excavation Contractor

Nielson Construction
P.O Box 620
825 North Loop Road
Huntington, UT. 84528
1-435-687-2494

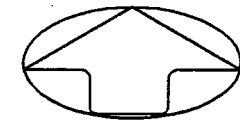
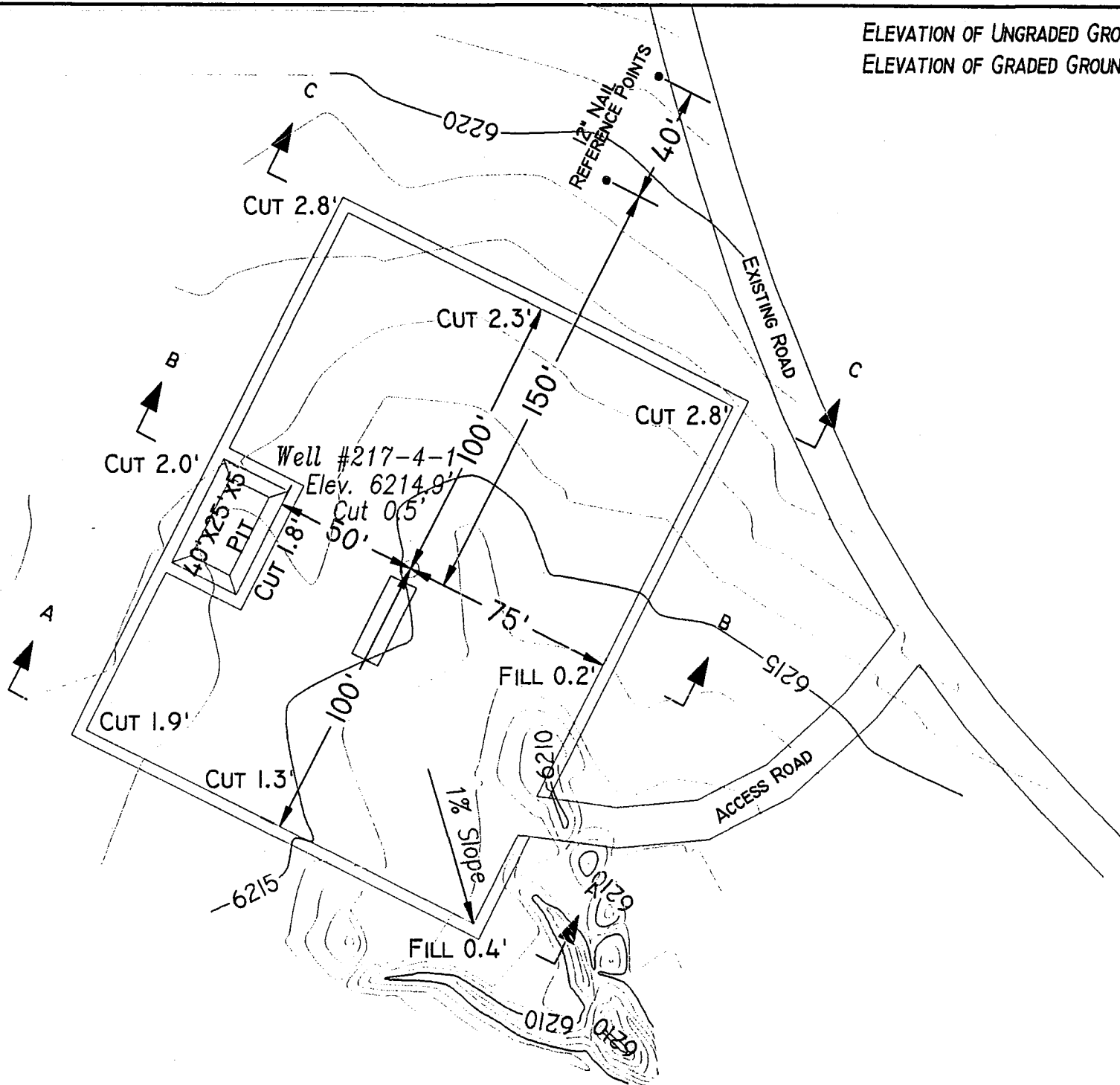
14. **Certification**

I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by Coastal Plains Energy, Inc. and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

5/20/05
Date


Larry W. Johnson
Talon Resources, Inc.

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 6214.9'
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 6214.4'



TALON RESOURCES, INC.

195 North 100 West P.O. Box 1230
 Huntington, Utah 84528
 Phone (435)687-5310 Fax (435)687-5311
 E-Mail talon@etv.net

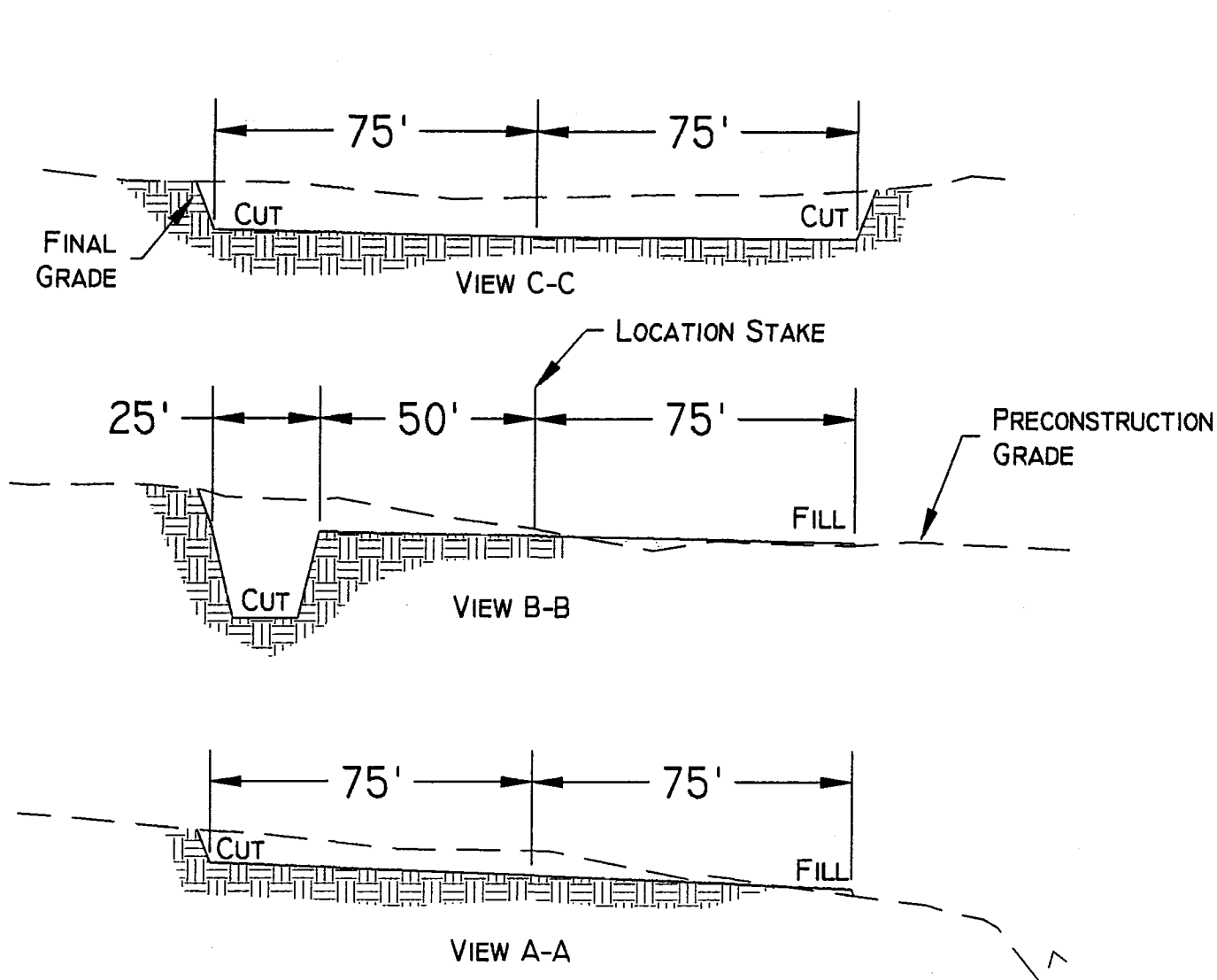
COASTAL PLAINS ENERGY, INC.

LOCATION LAYOUT

Section 4, T21S, R7E, S.L.B.&M.

WELL #217-4-1

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. A-2	Date: 5/11/05
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 1745



SLOPE = 1 1/2 : 1
(EXCEPT PIT)
PIT SLOPE = 1 ; 1



TALON RESOURCES, INC.

195 North 100 West P.O. Box 1230

Huntington, Utah 84528

Phone (435)687-5310 Fax (435)687-5311

E-Mail talon @ etv.net

COASTAL PLAINS ENERGY, INC.

TYPICAL CROSS SECTION
Section 4, T21S, R7E, S.L.B.&M.
WELL #217-4-1

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. C-1	Date: 5/11/05
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 1745

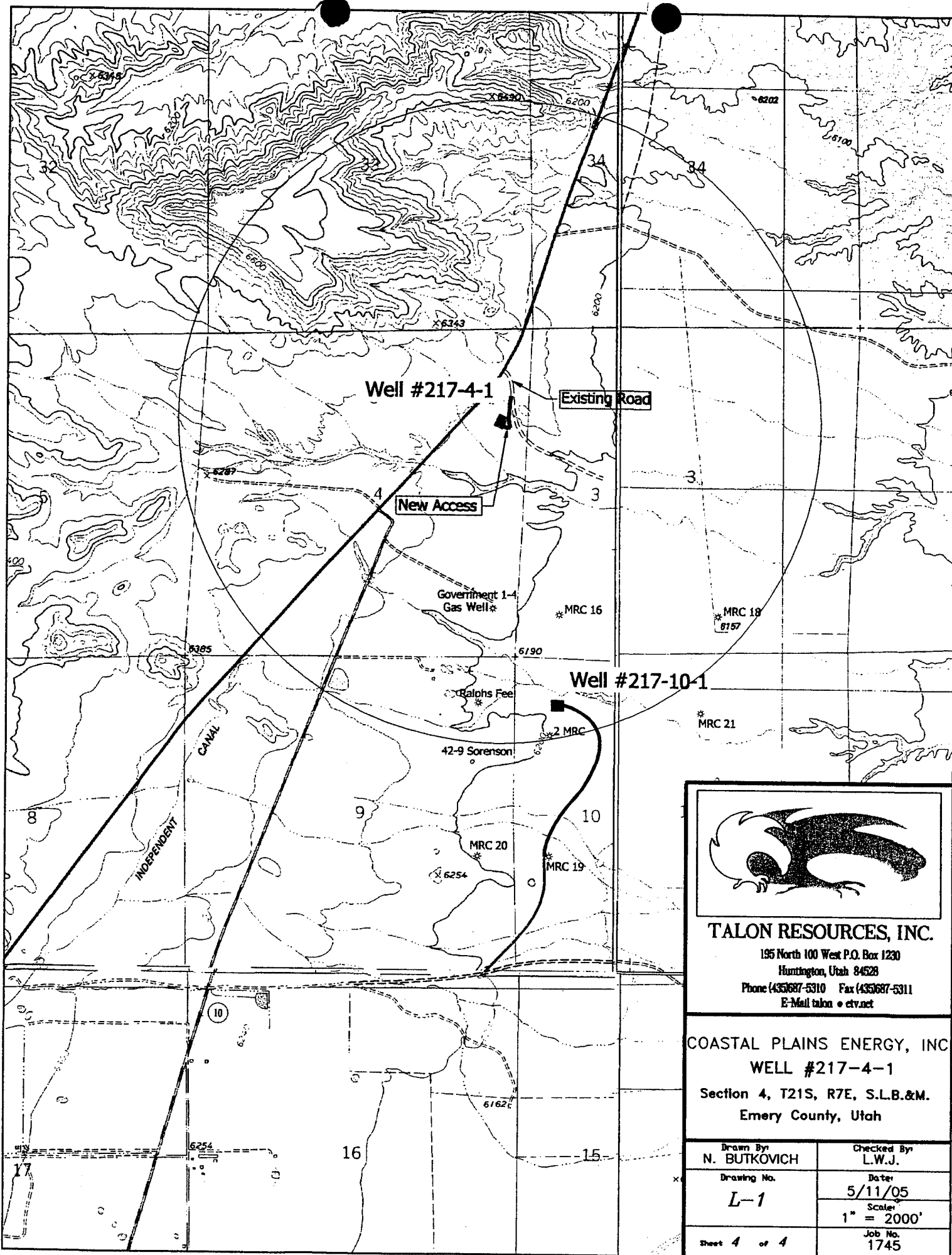
APPROXIMATE YARDAGES

CUT
(6") TOPSOIL STRIPPING = 550 CU. YDS.

REMAINING LOCATION = 1,410 CU. YDS.

TOTAL CUT = 1,560 CU. YDS. (INCLUDING PIT)

TOTAL FILL = 70 CU. YDS.



TALON RESOURCES, INC.

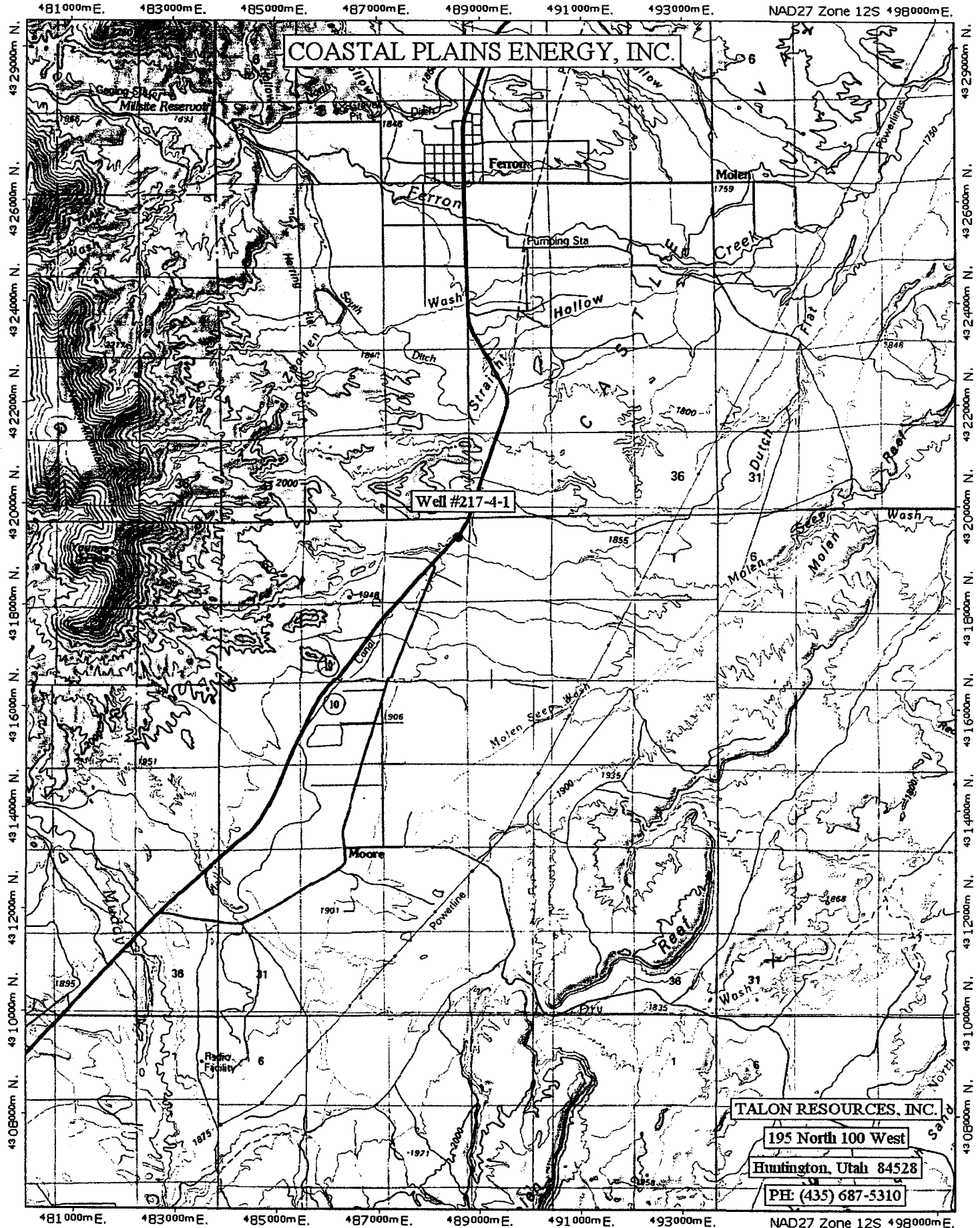
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon @ etv.net

COASTAL PLAINS ENERGY, INC

WELL #217-4-1

Section 4, T21S, R7E, S.L.B.&M.
Emery County, Utah

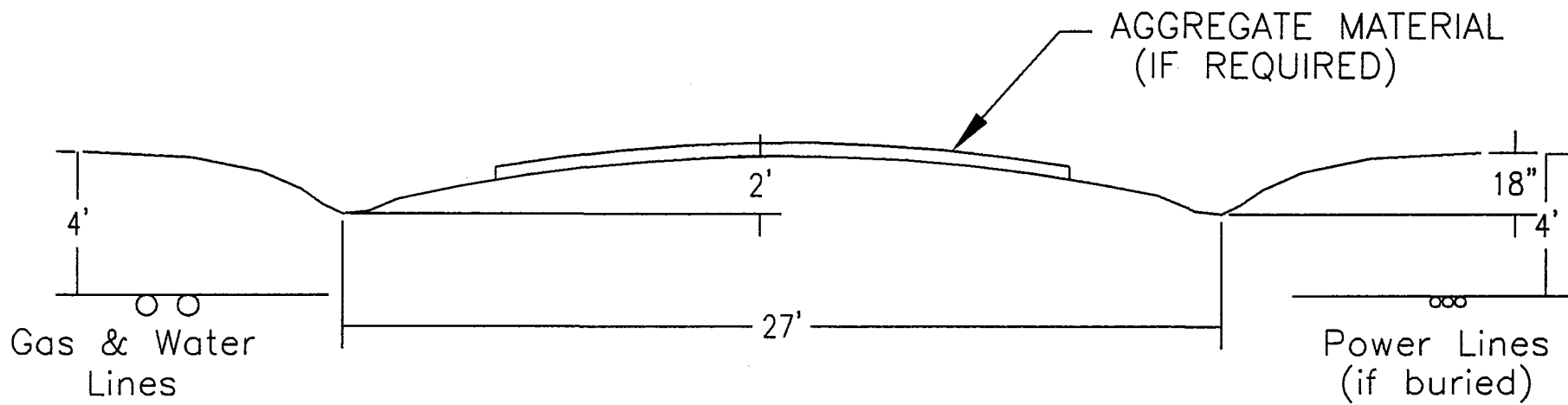
Drawn By N. BUTKOVICH	Checked By L.W.J.
Drawing No. L-1	Date 5/11/05
	Scale 1" = 2000'
Sheet 4 of 4	Job No. 1745



TN/MN
12 1/2°

0.0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 miles
0 1 2 3 4 5 km
Map created with TOPOI® ©2003 National Geographic (www.nationalgeographic.com/topo)

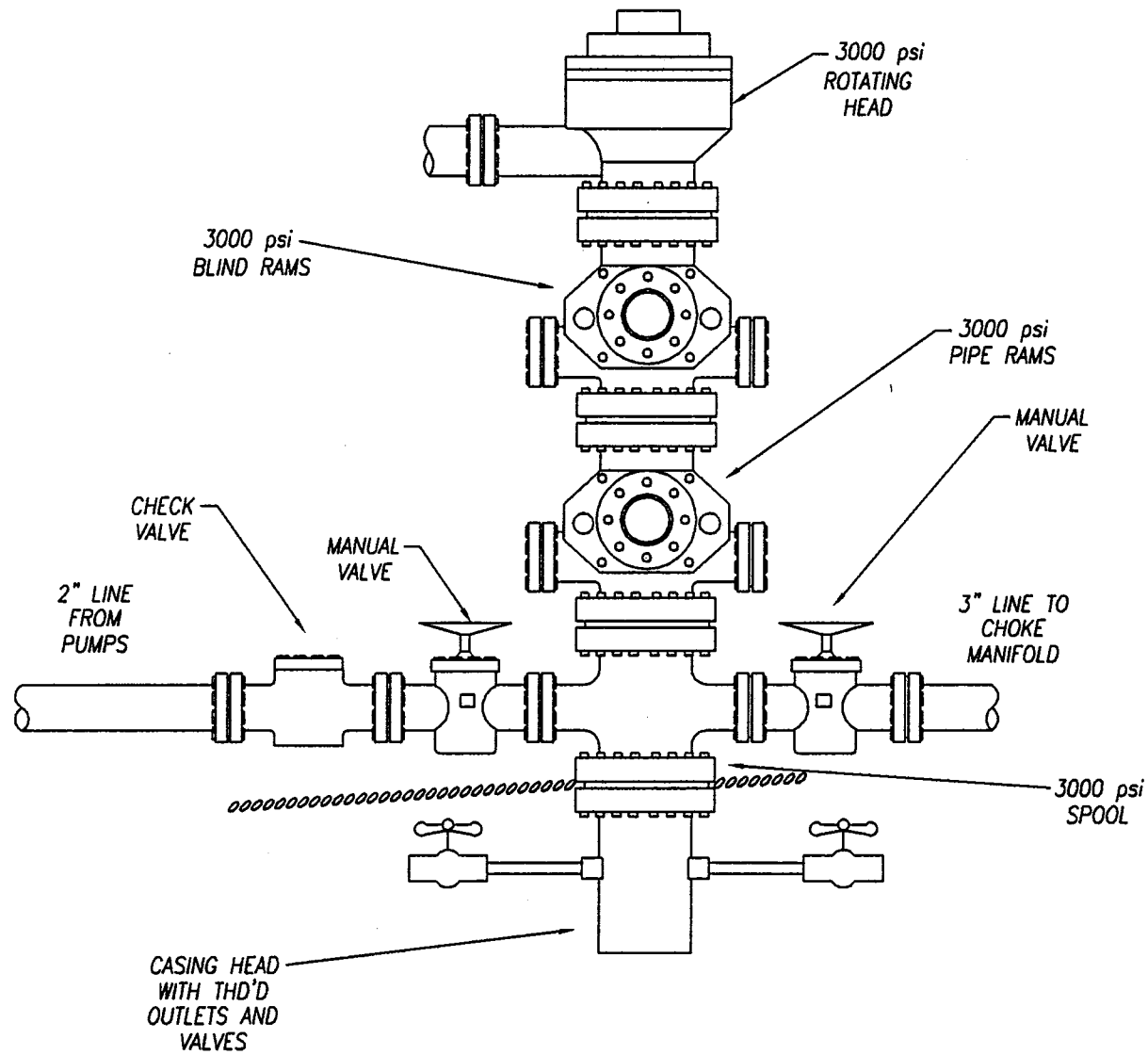
TYPICAL ROAD CROSS-SECTION



Coastal Plains

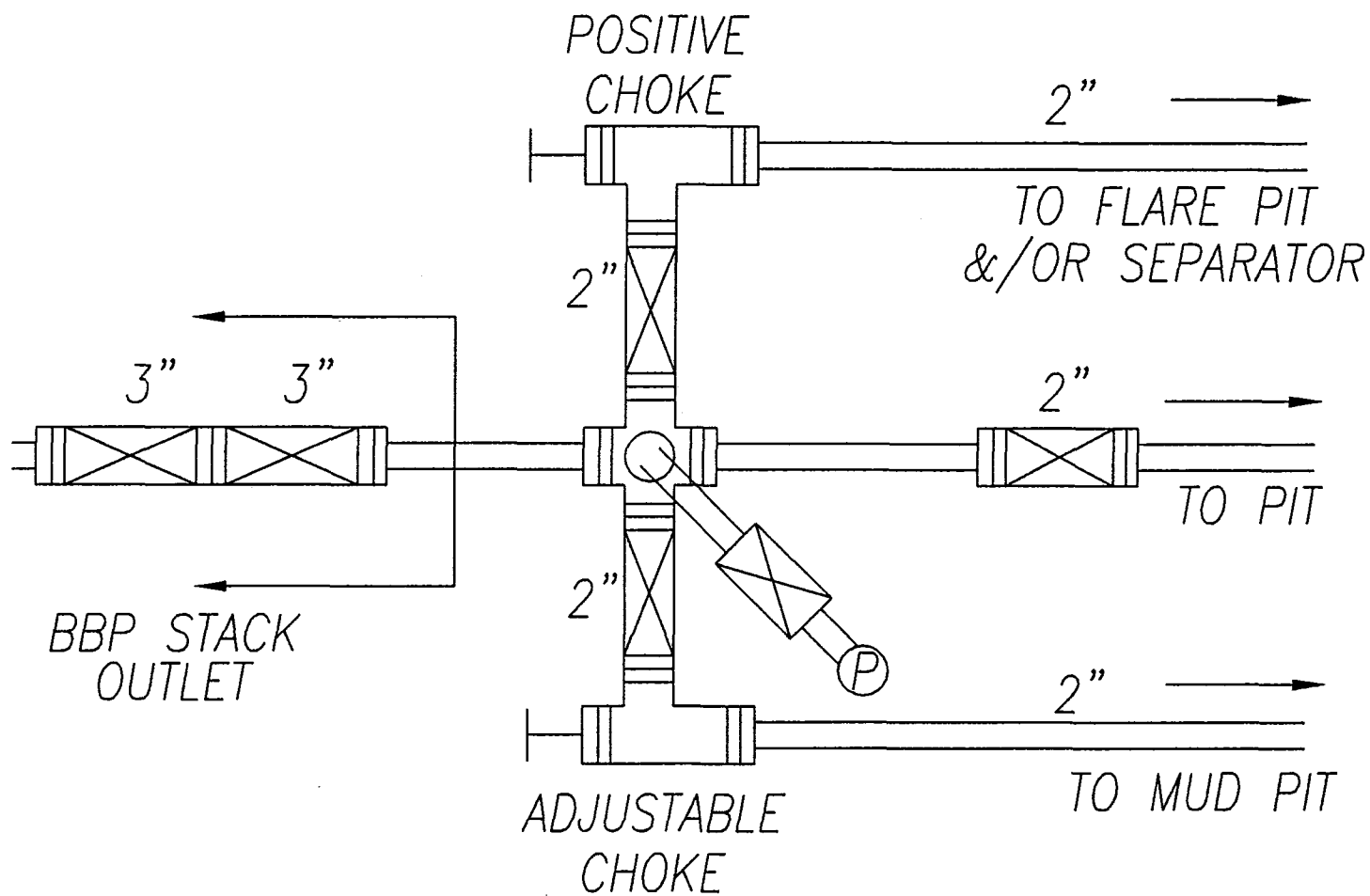
BOP Equipment

3000psi WP

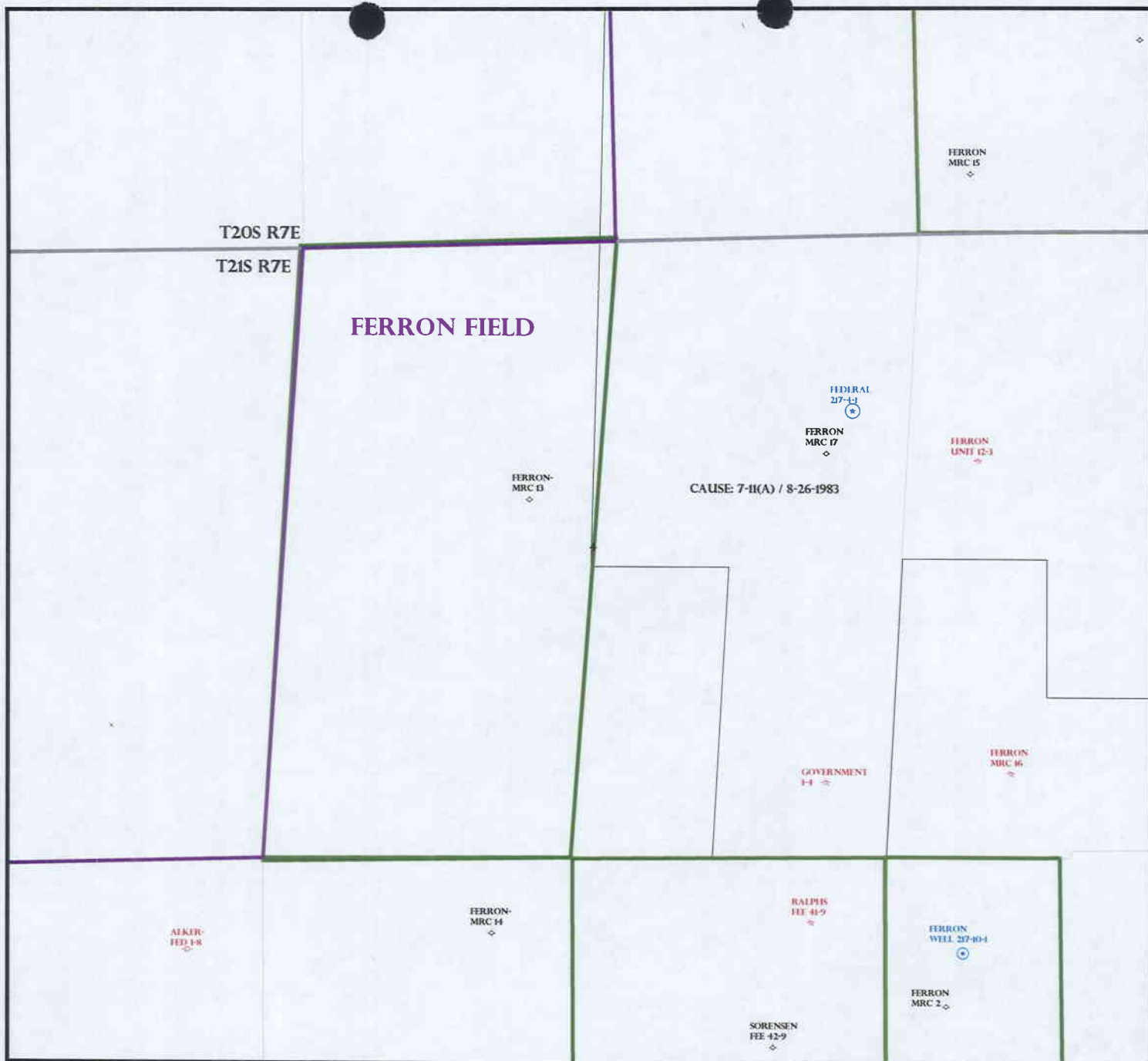


Coastal Plains

CHOKE MANIFOLD



Coastal Plains



OPERATOR: COASTAL PLAINS (N2170)

SEC: 4 T. 21S R. 7E

FIELD: FERRON (135)

COUNTY: EMERY

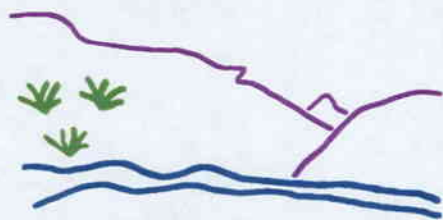
CAUSE: 7-11(A) / 8-26-1983

Field Status
 ABANDONED
 ACTIVE
 COMBINED
 INACTIVE
 PROPOSED
 STORAGE
 TERMINATED

Unit Status
 EXPLORATORY
 GAS STORAGE
 NF PP OIL
 NF SECONDARY
 PENDING
 PI OIL
 PP GAS
 PP GEOTHERML
 PP OIL
 SECONDARY
 TERMINATED

Wells Status

GAS INJECTION
 GAS STORAGE
 LOCATION ABANDONED
 NEW LOCATION
 PLUGGED & ABANDONED
 PRODUCING GAS
 PRODUCING OIL
 SHUT-IN GAS
 SHUT-IN OIL
 TEMP. ABANDONED
 TEST WELL
 WATER INJECTION
 WATER SUPPLY
 WATER DISPOSAL
 DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
 DATE: 28-SEPTEMBER-2005



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

September 28, 2005

Coastal Plains Energy, Inc.
430 Throckmorton, Suite 630
Ft. Worth, TX 76102

Re: Federal 217-4-1 Well, 1476' FNL, 458' FEL, SE NE, Sec. 4, T. 21 South,
R. 7 East, Emery County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-015-30632.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Emery County Assessor
Bureau of Land Management, Moab District Office

Operator: Coastal Plains Energy, Inc.

Well Name & Number Federal 217-4-1

API Number: 43-015-30632

Lease: U-011246

Location: SE NE Sec. 4 T. 21 South R. 7 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Coastal Plains Energy, Inc.

Operator Account Number: N 2170

Address: 420 Throckmorton, Ste. 630

city Fort Worth

state Texas

zip 76102-3723

Phone Number: 817 882-9055

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
43-015-30632	Ferron 217-4-1	SENE	4	21S	7E	Emery
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
A	99999	14973	09/22/05	10/13/05		
Comments: <u>FRSD</u>						

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Well 2

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments:						

Well 3

API Number	Well Name	QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date	Entity Assignment Effective Date		
Comments:						

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Fred N. Reynolds

Name (Please Print)

Fred N. Reynolds

Signature

Petroleum Engineer

Title

10/04/05

Date

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OCT 06 2005

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS
*Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.*

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Coastal Plains Energy, Inc.

3a. Address **420 Throckmorton, Ste 630**
Fort Worth, TX 76102-3723

3b. Phone No. (include area code)
817 336-1742

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1,476' FNL, 458' FEL, SE/4, NE/4, Section 4, T21S, R7E

5. Lease Serial No.
U-011246

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA/Agreement, Name and/or No.
N/A

8. Well Name and No.
Ferron 217-4-1

9. API Well No.
43-015-30632

10. Field and Pool, or Exploratory Area

11. County or Parish, State
Emery County, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other drill & set casing
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Please be advised that the following operations have taken place:

**09/22/05 Drill 9-5/8" hole to 99'.
Set 93' 7" 23 lb/ft, J-55 casing.
Cement w/80 sacks Class H cement to surface.**

09/23/05 Drilled 6-1/8" hole to 1,264'. Ran open hole logs.

**09/24/05 Set 1,248' 4-1/2", 10.5 lb/ft, J-55 casing.
Cemented w/70 sacks CBM Lite cement to surface.**

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OCT 24 2005

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Fred N. Reynolds

Title **Petroleum Engineer**

Signature

Fred N. Reynolds

Date **10/19/05**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

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FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

5. Lease Serial No.	U-011246
6. If Indian, Allottee or Tribe Name	N/A
7. If Unit or CA/Agreement, Name and/or No.	N/A
8. Well Name and No.	Ferron 217-4-1
9. API Well No.	43-015-30632
10. Field and Pool, or Exploratory Area	
11. County or Parish, State	Emery County, UT

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator Coastal Plains Energy, Inc.	
3a. Address 420 Throckmorton, Ste 630 Fort Worth, TX 76102-3723	3b. Phone No. (include area code) 817 882-9055
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1,476' FNL, 458' FEL, SE/4, NE/4, Section 4, T21S, R7E	

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input checked="" type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

01/16/06 Run CBL and perforate Ferron Sands, 1,020'-1,034', 1,088'-1,106', 1,130'-1,140'.

**01/19/06 Acidize Ferron Sands, 1020'-1,140' w/1,500 gals 50% - 7-1/2% HCL/50% methanol.
Set 2-3/8" tbg @ 1,035'. Swab test.**

**03/06/06 Fracture stimulate Ferron Sands w/42,290 gals 70 Q foam & 93,600 lbs 20/40 sand.
Flow back frac.**

**05/08/06 SITP 110 psig, SICP 110 psig. Unable to sustain flow into pipeline. Shut in
well to evaluate.**

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FEB 08 2007

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)
Fred N. Reynolds

Title **Petroleum Engineer**

DIV. OF OIL, GAS & MINING

Signature

Fred N. Reynolds

Date **02/05/07**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

COASTAL PLAINS ENERGY, INC.

420 THROCKMORTON, SUITE 630
FORT WORTH, TEXAS 76102-3723

817-882-9055
Fax 817-336-3223

February 5, 2007

CONFIDENTIAL

Utah Division Oil, gas and Mining
P O Box 145801
Salt Lake City, UT 84114-5801

Re: **Ferron 217-10-1**
Ferron 207-14-1
Ferron 217-4-1
Emery County, Utah

Dear Sir or Madam:

Enclosed please find State of Utah Forms 9 and BLM Form 1004-0135, Sundry Notices for the referenced wells. We apologize that these forms were not submitted earlier as there was a miscommunication in our office. All of the subject wells have not been completed for sales production as yet and are in various stages of evaluation.

If you have any questions, please contact the undersigned.

Very truly yours,

COASTAL PLAINS ENERGY, INC.

Fred N. Reynolds
Fred N. Reynolds

FNR/cf

Encls.

ferronsundry.cpe

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DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other
b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other: _____

2. Name of Operator
Coastal Plains Energy, Inc.

3. Address **420 Throckmorton, Suite 630
Fort Worth, TX 76102-3723**

3a. Phone No. (include area code)
817 882-9055

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface **1,476' FNL, 458' FEL**

At top prod. interval reported below

At total depth

14. Date Spudded
09/22/05

15. Date T.D. Reached
09/23/05

16. Date Completed **12/01/06**
☐ D & A ☒ Ready to Prod.

17. Elevations (DF, RKB, RT, GL)*
6,226' RKB

18. Total Depth: MD **1,264'**
TVD **1,264'**

19. Plug Back T.D.: MD **1,184'**
TVD **1,184'**

20. Depth Bridge Plug Set: MD
TVD **N/A**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
**High Resolution Induction and
Spectral Density Dual Spaced Neutron**

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit report)
Directional Survey? ☒ No ☐ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
9-5/8"	7"	23	surface	93'		H/80 sx			
6-1/8"	4-1/2"	10.5	surface	1248'		CBM Lite/70 sx			

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8"	1,035'	N/A						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Ferron Sand	1,020'	1,140'	1,020'-1,034'	3/8"	14	
B)			1,088'-1,098'	3/8"	10	
C)			1,102'-1,106'	3/8"	4	
D)			1,130'-1,140'	3/8"	10	

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
1,020'-1,140'	Acid-1,500 gals 7-1/2% HCL Frac-42,290 gals 70Q foam & 93,600 lbs 20/40

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
04/05/07	19/07	24	→	0	30	1	N/A	0.6	Flowing
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
64/64	30	110	→	0	30	1	N/A	Producing	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press. SI	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

*(See instructions and spaces for additional data on page 2)

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28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

29. Disposition of Gas (Solid, used for fuel, vented, etc.)

Sold

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
Upper Ferron	1,014'	1,044'	Sandstone	Ferron Sand	1,000'
Middle Ferron	1,082'	1,109'	Sandstone		
Lower Ferron	1,124'	1,150'	Sandstone		

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- ☒ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geologic Report
 ☐ DST Report
 ☐ Directional Survey
☐ Sundry Notice for plugging and cement verification
 ☐ Core Analysis
 ☐ Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) **Fred N. Reynolds**Title **Petroleum Engineer**

Signature

*Fred N. Reynolds*Date **05/24/07**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.